

GENERAL FUND (101)

MAJOR FUNDING CHANGES

General Fund Revenues

The FY 2003-04 total adopted increase in revenues over this year's estimate is \$7,912,059, or 9.4%, excluding non-recurring revenues. The following are some of the major revenue highlights in General Fund.

Taxes

Property Taxes FY 03-04 adopted budget includes a tax levy of \$38,455,159, with an effective tax rate of \$0.641761. This rate includes \$0.500648 for maintenance and operations (General Fund) and a \$0.141113 rate for payment of long-term debt (Debt Service). The budget assumes a collection rate of 96%, which will generate \$28,690,420 in tax revenue for General Fund, which is a \$2,945,591, or an 11.4% increase over the estimate to be collected in FY 02-03.

The 2003-2004 budget includes \$710,507 in revenues from prior year taxes or an equivalent of 1.8% of the tax levy. Projected penalty and interest collection for FY 03-04 is \$720,587. In addition to penalty and interest, the City charges a 15% collection fee, which is projected for fiscal year 2003-2004 to be \$347,750. (The City contracts with a local law firm for the collection of delinquent taxes.)

Sales Tax The FY 02-03 sales tax estimate shows a 0.33%, or \$59,842, increase from the original budget. The adopted FY 03-04 budget projects a 6%, or \$1,084,052, increase over estimated sales tax revenue for FY 02-03.

Licenses and Permits

The adopted budget for FY 03-04 licenses and permits revenue is \$5,121,229, which translates into a \$122,238, or a 2.4%, increase over the estimated FY 02-03.

Franchise Fees

The FY 02-03 Electric System franchise revenue estimate reflects a \$1,647,677, or a 28.9%, shortfall from the original budget projections due to the effects of deregulation.

Charges for Service

Administrative Charges Administrative charges assessed to various departments (Airport, Fleet Management, Health and Benefits, Mercado, Bridge, Civic Center, Municipal Housing, Water Works, Sewer System, Parking Meters, Solid Waste Management, NPDES, Haz-Mat, and Risk Management) reflect an allocation of General Fund overhead (City Council, City Manager, Budget, City Attorney, City Secretary, Financial Services, Administrative Services, Telecommunications, and Management Information System) on a pro rata basis considering the respective funds' revenues to total actual revenues for FY 01-02 for all the funds in question. These fees have a 10.8% increase over FY 02-03.

Bridge Additional Transfer The FY 02-03 estimate reflects a decrease of 4.19%, or \$710,994, from the original budget. The adopted transfer for FY 03-04 is \$16,874,155, a 3.7% increase over the FY 02-03 estimates. The transfer from the Bridge Fund is in accordance to a resolution adopted by Council as follows:

Bridge Flow of Funds

1 Gross Revenues
 --2 Current Expenses
 Net Revenues

Net Revenues
 -- Debt Service On Senior Lien Debt
 -- Transfer To Reserve Fund*
 -- Transfer To Contingency Fund*
 Surplus Funds

Surplus Funds
 -- Debt Service On State Infrastructure Bank (SIB) Loan
 -- Transfer To General Fund At 50% Of Bridge Toll Receipts
 -- Amount Required To Establish Fund Balance At 15% Of Operating Expenses
 -- Transfer To Capital Improvements Fund

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1 Gross revenues includes all revenues, income, tolls, rentals, rates, fees, and charges of every nature derived from operation of the bridge system.

2 Current expenses includes all necessary, current operating expenses and maintenance expenses and charges including the expenses of reasonable upkeep and repairs, premiums, and charges for insurance and all other current expenses and charges incident to the operation and maintenance of the system actually incurred to exclude depreciation.

* As required by the bond covenants.

Fines and Forfeits, Fees and Collections, Reimbursement and Miscellaneous, and Other Financing Sources

No significant change is proposed in FY 03-04.

The adopted budget includes an \$877,108 transfer from the Infrastructure Maintenance Fund for the Public Works Street Construction Crew, \$141,728 from the Mineral Leases Fund, \$70,000 from the Recreation Fund, \$25,000 from the Hotel-Motel fund for City promotions, and a transfer from Transit in the amount of \$34,970 to cover the cost of a taxicab inspector.

General Fund Expenditures

The total adopted FY 03-04 increase in expenditures over last year's estimate is \$7,672,351, or 9.6%, excluding one-time expenditures. The key elements in the proposed budget are as follows:

All operational areas which include General Government, Public Safety, Public Works, Health and Welfare, and Cultural and Recreation include the following:

Employees will receive a 1.6% cost of living adjustment on October 1, 2003 and a merit pay adjustment based on a favorable annual performance evaluation. However, this does not apply to Fire and Police due to their collective bargaining agreements.

The adopted budget includes no new positions, no capital outlay and a reduction to the adopted budget of five percent in other operating expenditure categories. In addition, all vacancies have been frozen for the entire FY 03-04 budget.

Transfers Out

The FY 03-04 budget includes a transfer to the Health Department of \$2,747,045, which is a \$339,502 or 14% increase over the FY 02-03 estimate. The budget also includes transfers to Community Development, Auto Theft Task Force, the Narcotics Grant, the Special Police Program, the Airport and the Capital Improvements Fund (CIF).